



NORTH CAROLINA Office of *State Human Resources*



NCFlex FSA (and other) Changes

June 2020

Agenda

- Extension of Time Frames
- FSA changes allowed due to COVID-19
- Grace period extension for DDCFSA
- HCFSA – Carry Forward and Contribution limit for 2021
- Dental and Vision changes allowed

Extension of Deadlines

- New due to COVID-19
- Outbreak period from March 1, 2020 until 60 days after the announced end of the national emergency
- Certain timeframes extended such as:
 - COBRA enrollment: [COBRA letter related to COVID-19](#)
 - Enrolling in benefits – exception process
 - Filing claims
 - The runout for submissions of 2019 claims for HCFSA and DDCFSA
 - The extension of time to utilize 2019 DDCFSA money

FSA Changes due to COVID-19

- Start, increase, decrease, or stop deductions
 - HCFSAs limit for 2020 is \$2700
- Only on a prospective (go forward) basis
 - Although this is “go forward” we will still consider the 30-day rule and can go back if payroll has not been finalized
- Must be requested via exception by HBR on behalf of employee
- Day Care Change (cancel or change coverage amount) in eBenefits turned off, even for QLEs
 - Only adding plan is allowed in eBenefits
 - Send exception request for change in amount or cancellation

FSA Changes due to COVID-19

- If reduction or cancellation, cannot go below what has been contributed and/or reimbursed
- If a HCFSA account is increased or added, funds will be allowed to be used for expenses retro back to Jan. 1
 - If DDCFSA increased, cannot go back to Jan. 1 – only HCFSA
 - If hire date after Jan. 1, EE can go back to first of month following hire date
- Only one change (for each plan) for the 2020 plan year allowed due to COVID-19
 - If QLE, can have other changes
- Changes allowed through 9/30/2020

DDCFSA Grace Period

- If a grace period ended in 2020 (does not include carry forward accounts), IRS says it can be extended
- NCFlex DDCFSA grace period normally ends March 15 each year to incur claims for the prior year
- NCFlex will allow until 9/30/2020 for participants with 2019 DDCFSA to incur claims
- Deadline to submit claims TBD – mentioned in first slide

Health Care FSA for 2021

- 2021 HCFSA Contribution – increase to \$2800
 - New amounts usually announced too late for NCFlex adopt – this year amount announced early
- Carry Forward will increase to \$550 into 2021 plan year
- Carry Forward amount can be 20% of contribution limit – this will increase going forward as contribution limit increases
 - 2020 contribution limit was \$2750 – NCFlex was only \$2700 due to new amount not being announced until all OE preparation complete

Dental and Vision

- IRS guidance allowed for different changes – not all adopted by NCFlex
- For dental and vision (considered “health plans”) NCFlex will allow change in tiers (ex. EE only to EE + Family) only
- No dropping or adding plan all together unless valid QLE
- No changing benefit options (ex. Basic to Enhanced, Classic to Low, etc.)
 - Core Vision to another benefit option if adding family is still allowed if QLE
- Exception will need to be requested if not related to another QLE